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FOR IMMEDIATE RELEASE

State Mine Inspector Indicted on Nine Counts

(Phoenix, Ariz. – Dec. 14, 2006) Attorney General Terry Goddard today announced the indictment of Douglas K. Martin, the Arizona State Mine Inspector, on three counts of theft, three counts of fraud and three counts of procurement code fraud.

The indictment alleges that Martin, 67, of Queen Creek, between September 2004 and March 2006 illegally bought four vehicles (three new Ford Explorers and one new Ford F-150 4x4 Supercab) for the Arizona State Mine Inspector's Office (ASMI). The purchases were in violation of both the Arizona Procurement Code and a 1993 intergovernmental agreement (IGA), which required ASMI to acquire its vehicles either from federal agencies or from the Fleet Management Office of the Department of Administration (DOA).

Instead, Martin falsely represented to a Ford dealer that he had authority to enter into lease-purchase agreements to obtain new vehicles for ASMI with luxury options such as a power moon roof on the F-150 truck. Martin then deceived the State of Arizona into making monthly payments on these unauthorized vehicles, in part by having ASMI employees falsely certify on each invoice for lease payments they submitted to the State that the expenditure was "consistent with all applicable statutes, laws, appropriations, grants and contracts."

The indictment also alleges that Martin illegally disposed of five ASMI vehicles in violation of regulations that prohibit a state agency from trading in or otherwise disposing of State vehicles without written authorization from DOA. Martin, with no authorization, used four vehicles as trade-ins on three of the unauthorized lease-purchase agreements of new vehicles. He also donated one vehicle, a 2002 Chevrolet Astro Van, to the Arizona Mine Emergency Association, a private entity for which Martin served as a director and treasurer.

Martin's first court appearance is scheduled for December 27 in Maricopa County Superior Court. If convicted of all charges, he faces up to 15 years in prison. The case was investigated by the Special Investigations Section of the Arizona Attorney General's Office.

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